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October 30, 2003

**NOTICE AND SUMMARY OF
EX PARTE PRESENTATION**

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWA325
Washington, DC 20554

Re: Federal-State Joint Board on Universal Service, CC Docket No. 96-45

Dear Ms. Dortch:

On October 29, 2003, David Cohen and I, on behalf of the United States Telecom Association (USTA), Rob Binder of Citizens, and Bob Blau of BellSouth met with William Scher, Vickie Byrd, Cara Voth, and Elizabeth Yockus of the Telecommunications Access Policy Division, Wireline Competition Bureau and Greg Fogelman, Joel Shifman, Peter Bluhm, Mary Newmeyer, and Larry Stevens, staff of the Florida Public Service Commission, Maine Public Utilities Commission, Vermont Public Service Board, Alabama Public Service Commission, and Iowa Utilities Board respectively regarding the above-referenced proceeding. The purpose of this meeting was to discuss USTA's position on the process for designating eligible telecommunications carriers and the Commission's high-cost rules for universal service support. In accordance with Section 1.1206(b)(2) of the Commission's rules, this letter and the attached outline used during the meeting are being filed electronically with your office.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script, reading "Robin E. Tuttle", is positioned above a horizontal line.

Robin E. Tuttle
Associate Counsel

Attachment

USTA EX PARTE PRESENTATION IN CC DOCKET NO. 96-45USTA RECOMMENDATIONS REGARDING
ETC DESIGNATIONS AND FCC RULES ON HIGH COST SUPPORT

- The standards for designating ETCs must be strengthened. Broadly, the public interest determination for granting ETC status should focus on whether the benefits of designating multiple ETCs outweigh the costs of supporting multiple networks. Specifically, consideration should be given to:
 - the impact that an additional ETC will have on the size of the Fund;
 - the ability of the carrier seeking ETC status to serve an entire service area if the original ETC relinquished its ETC status;
 - the financial stability of a carrier seeking ETC status and thus its ability and plans to build its network and sustain operations;
 - the ability of the carrier seeking ETC status to provide all elements of universal and lifeline services; and
 - the existence of or plans for a published tariff with terms and conditions of services offered.
- Facilitating competition should not be a factor considered in the ETC designation process. If the reason for designating a carrier as an ETC is to promote competitive entry into the telecommunications market, then state universal service funding should provide funding for that carrier.
- The Fund should be used to help recover the cost of networks, not lines or services. Supporting networks encourages and enables ETCs to invest in critical telecommunications infrastructure.
- The Fund should provide support for all lines, not just a customer's primary line. Supporting only primary lines discourages network investment, adds administrative burdens and costs, denies business and residential consumers in high-cost areas access to services and rates that are reasonably comparable to their urban counterparts, and harms economic development.
- The overall size of the Fund should not be capped or limited. A cap on the size of the Fund would cause the pool of funding to be divided among the multiple carriers designated as ETCs so that funding might no longer be sufficient and, as a result, carriers would be unable to recover the costs of providing universal service.
- Support should be based on the costs of incumbent local exchange carriers (ILECs) for all ETCs.
- All carriers designated as ETCs should be subject to the service quality standards, reporting requirements, and billing requirements established by the state regulatory agency for ILECs.
- State regulatory agencies should decertify an ETC that is not meeting the qualifications or requirements for which its ETC status was granted.